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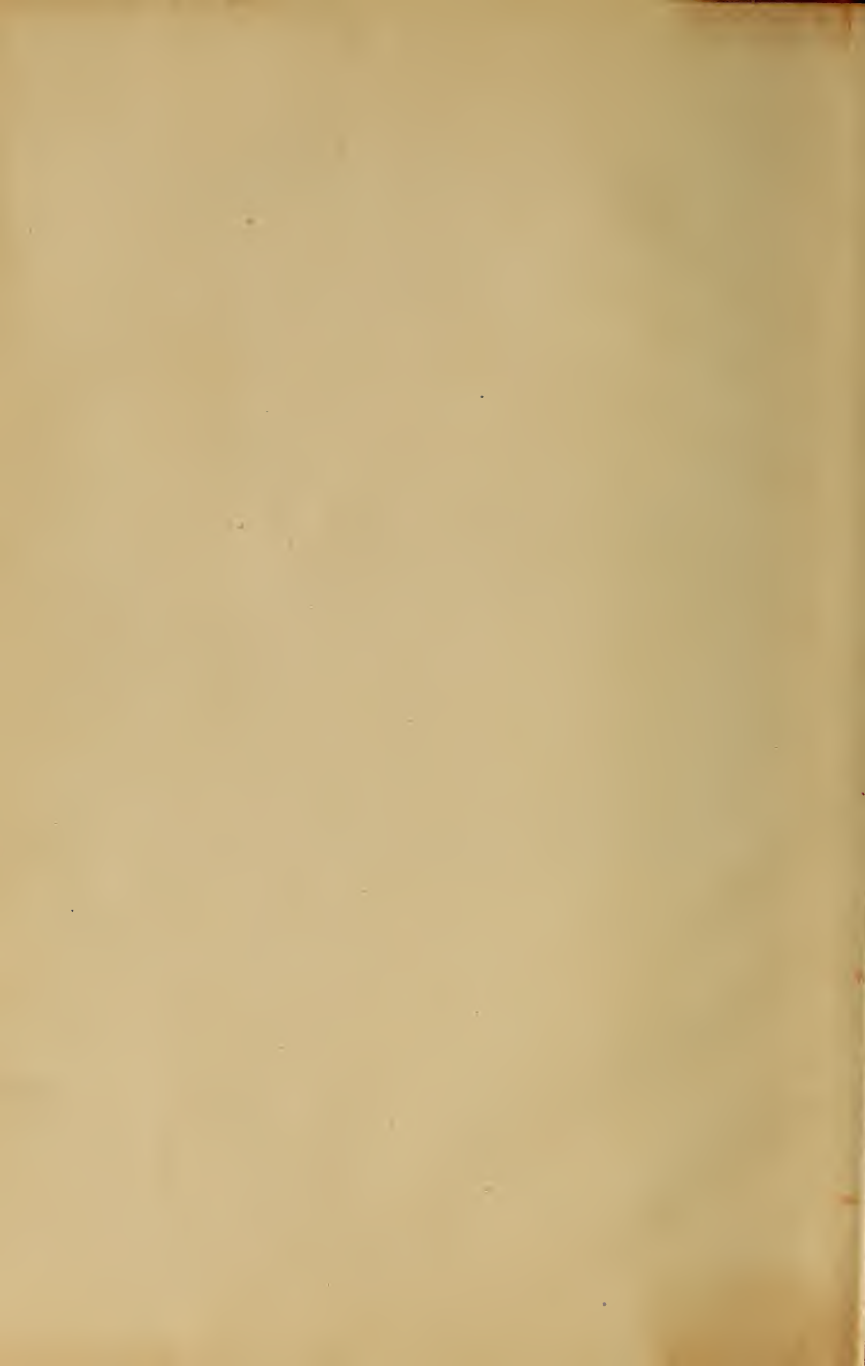
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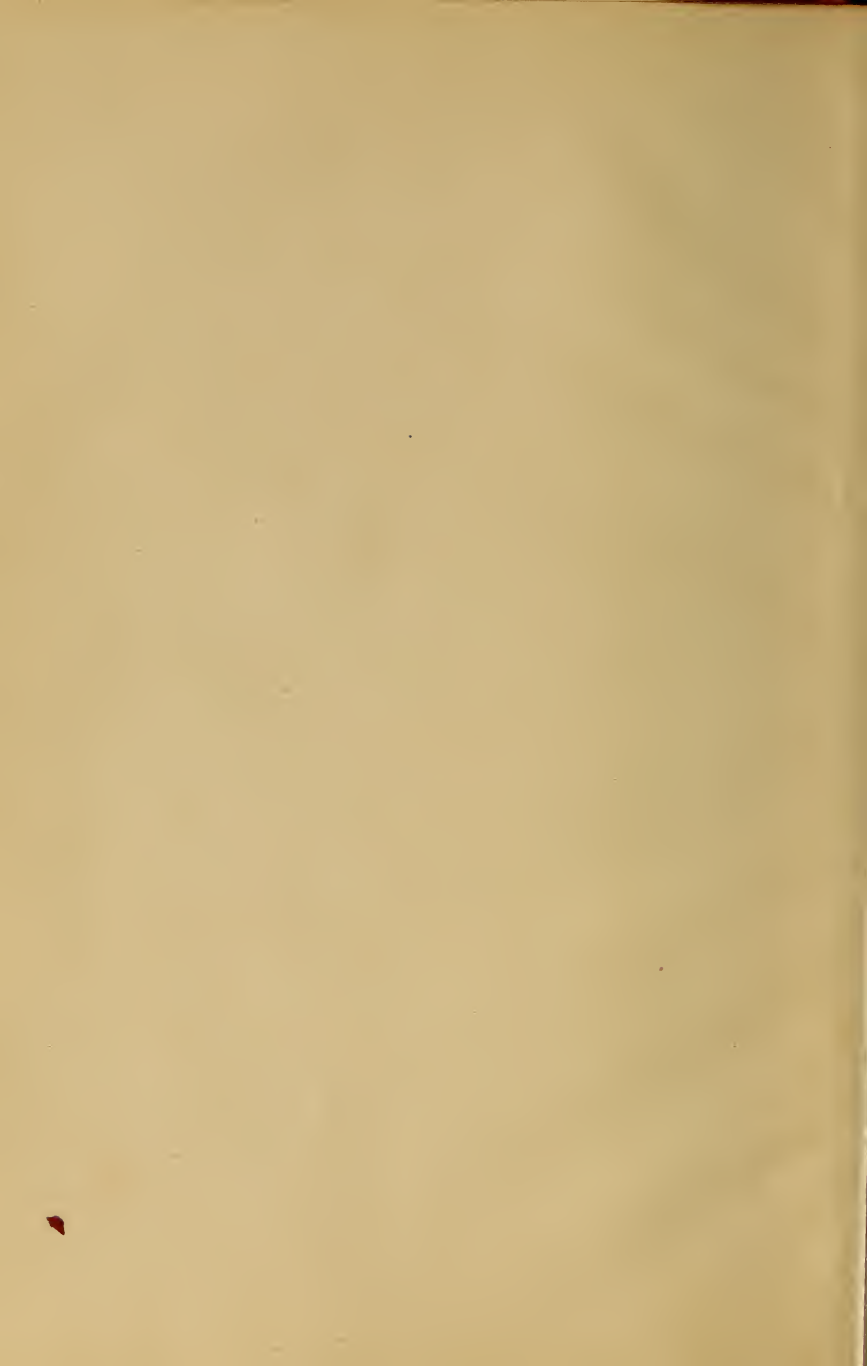
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The
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Or
Better Times For Us All

By AUGUSTUS JACOBSON.



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BETTER TIMES FOR US ALL.

BY

AUGUSTUS JACOBSON.



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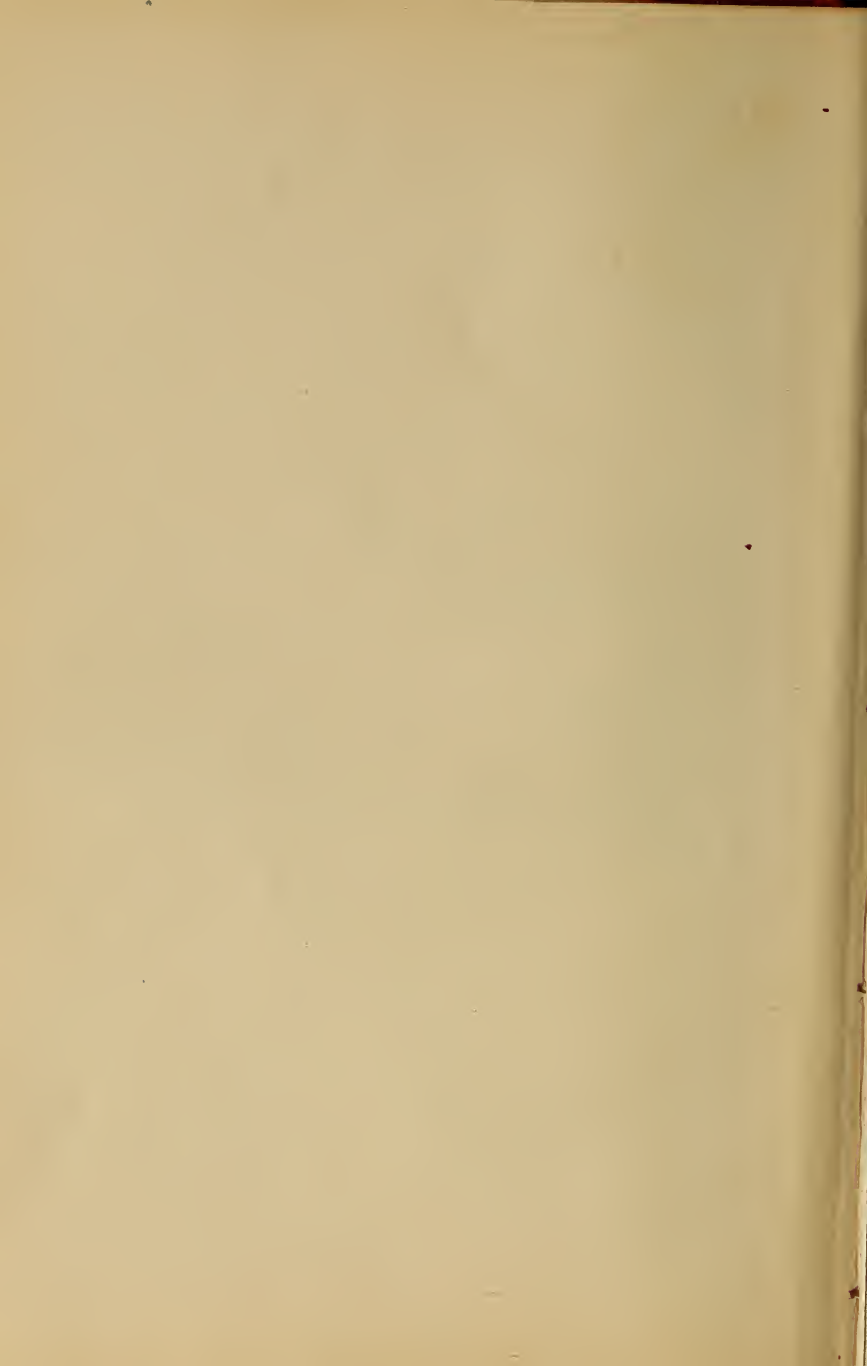
IN THE SERIES OF ECONOMIC CONFERENCES, AUDI-
TORIUM, JANUARY 26, 1890.

BEFORE THE COMMERCIAL CLUB, CHICAGO, MARCH,
1, 1890.

BEFORE THE UNION LEAGUE CLUB, CHICAGO,
APRIL 8, 1890.

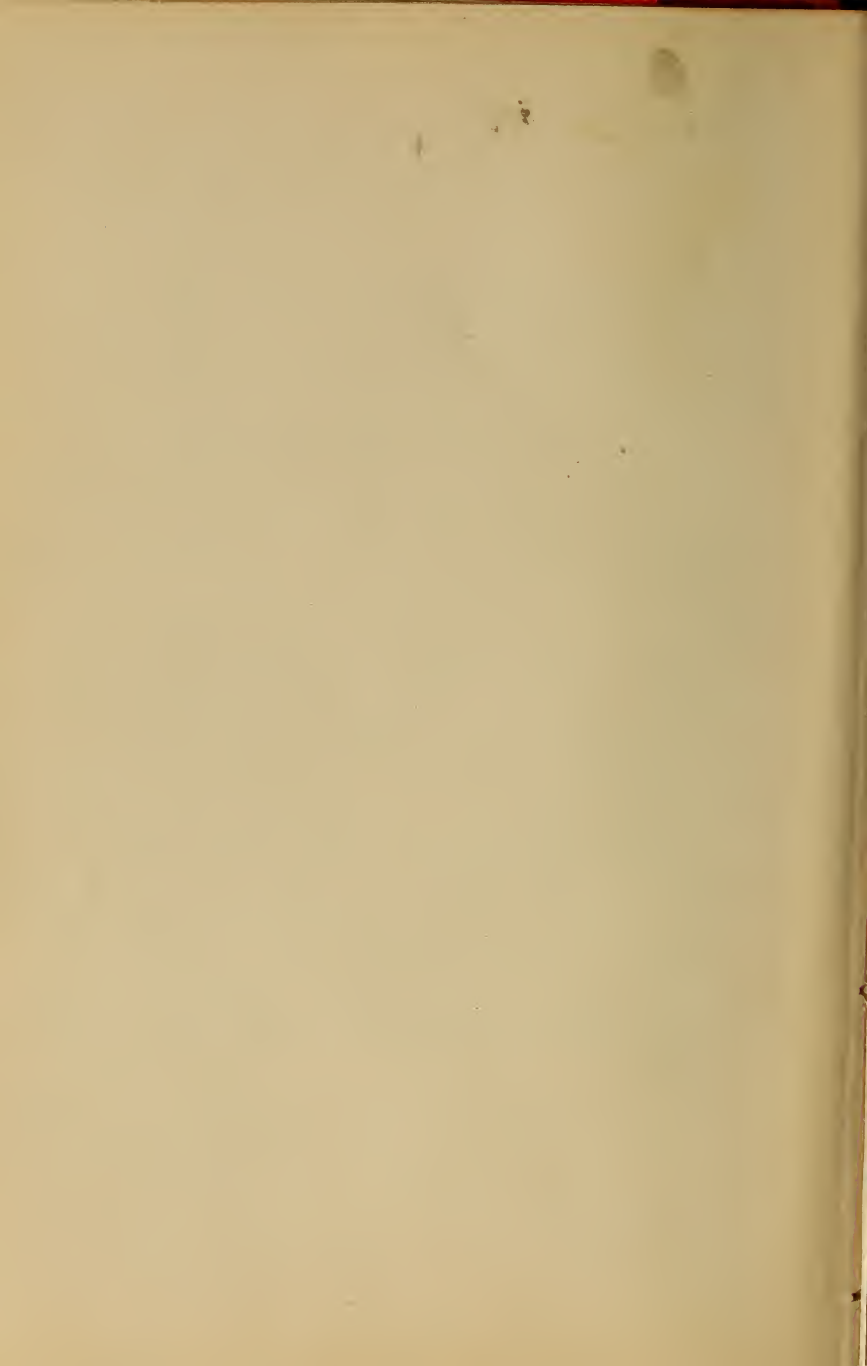
BEFORE THE CHICAGO SECULAR UNION, OCTOBER
12, 1890.

BEFORE THE CHICAGO BAR ASSOCIATION, NOVEMBER
12, 1890.



The truth is that we are arrived at one of those periods in the progress of society when the constitution naturally undergoes a change, just as it did two centuries ago. It was impossible then for the king to keep down the higher part of the middle classes; it is impossible now to keep down the middle and lower parts of them. All that resistance to these natural changes can effect is to derange their operation, and make them act violently and mischievously, instead of healthfully, or at least harmlessly. The old state of things is gone past recall, and all the efforts of all the Tories can not save it; but they may by their folly, as they did in France, get us a wild democracy or a military despotism in the room of it, instead of letting it change quietly into what is merely a new modification of the old state. One would think that people who talk against change were literally as well as metaphorically blind, and really did not see that everything in themselves and around them is changing every hour by the necessary laws of its being.

There is nothing so revolutionary, because there is nothing so unnatural and so convulsive to society, as the strain to keep things fixed, when all the world is, by the very law of its creation, in eternal progress; and the cause of all the evils of the world may be traced to that natural but most deadly error of human indolence and corruption—that our business is to preserve and not to improve.—DR. THOMAS ARNOLD, *Headmaster of Rugby, pending the Reform agitation in England, April, 1831.*



BETTER TIMES FOR US ALL.

I.

In 1858, Abraham Lincoln spoke of the slavery question as a mere episode in the struggle of mankind for emancipation. Let me quote a few sentences:

“It is the eternal struggle between these two principles—right and wrong—throughout the world. They are the two principles that have stood face to face from the beginning of time, and will ever continue to struggle. The one is the common right of humanity, and the other the divine right of kings. It is the same principle in whatever shape it develops itself. It is the same spirit that says: You work, and toil, and earn bread, and I eat it. No matter in what shape it comes, whether from the mouth of a king who seeks to bestride the people of his own nation and live by the fruit of their labor, or from one race of men as an apology for enslaving another race, it is the same tyrannical principle.”

In the eternal struggle between right and wrong, of which Lincoln speaks, ignorant people often side with those who oppose them and oppress them. So long as the great majority of people remain ignorant, the right, if it can prevail at all, can only slowly prevail over the wrong. If we wish the wrong to go under, and the right to prevail, although a slow way, the speediest way is to train each child to the full measure of all his faculties, in order to give him the full benefit of all his own powers for his own use and happiness, to the end that he may not, as says Abraham Lincoln, work, and toil, and earn bread for another man to eat.

II.

In June, 1889, there was graduated the fourth class of the Chicago Manual Training School. Boys about eighteen years of age, who, three years before, had never touched tools with a view to becoming skilled with them, had drawn plans for several steam engines. They had drawn the patterns on paper. They had made the patterns in wood. They had done the chipping, and the filing, and the lathe work on the castings. The boys had put together their engines. They had connected them to a supply of steam, and at the word of command, steam was turned on and the engines began to run. In the education of these boys, their purely mental studies had not been neglected. All their manual exercises had been intellectual exercises, and the boys were ready to stand up and be examined in books side by side with boys who had devoted all their time to books.

The education of the Manual Training School is not a mere training of mechanics. It is a training in mechanical skill, but it

is a great deal more besides. There is no farmer, there is no merchant, there is no lawyer, there is no physician, there is no preacher who would not be more effective in his calling with this training. It is just as serviceable for scholars who are not to be mechanics as it is for those who are to be mechanics.

III.

Two hundred years ago, we taught the three R's, and we do so still, and we do little more. At twelve, the majority of children quit school. With railroads, and telegraphs, and telephones, and endless wealth, the children of this great nation are still sent out into life's struggle, little better equipped than were children two hundred years ago.

Liberty has been achieved for all, but ignorance and inefficiency still enchain the average man in poverty. The poor we have with us always. The poor will never be able to educate their children beyond the three R's, because as soon as they are able to earn anything, the children of the poor must work to earn bread for themselves and their parents.

As a nation, we are rich enough to do without the labor of the young whose bones are not hardened. We ought to be ashamed of ourselves to keep them at work, not for their benefit, but for ours. I don't know how you feel about it, but I am ashamed of it.

The next step in civilization, is to take the young out of the mine, out of the shop, out of the factory, and train them at every point, and in every direction, to enable them to make the utmost of their lives.

To this demand of civilization, the wealth of the nation must respond. The money it will cost will not be lost; on the contrary, it will stay right here among us, and yield returns an hundred fold.

Two hundred years ago, all native-born children of New England were taught to read and write, and New England was the only part of the world where such a marvelous state of affairs existed. We are no longer so far ahead of the rest of the world; and yet, meanwhile, the value of the training of the young, as tending to produce wealth and comfort, has come to be better understood. Other things being equal, the wealth of a nation grows in proportion to the intelligence of the people. Knowledge is power, and knowledge is wealth.

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IV.

Stanley says that there are 40,000,000 of people on the Congo, all of them naked and poor. The country in which they live is one of endless natural wealth, but the Africans are in the depths of poverty, simply because they are ignorant.

This country, with all its immense resources, was once in the complete possession of the Indians. But you know the Indians did not get rich. They starved and froze to death, simply because they did not know anything. We took their inheritance, and with what little we know, see what we have done! That the increase of knowledge brings increase of wealth, must be clear to everyone. If, instead of our present population, we had a land full of Russian Moujiks, or of natives of Spain or Arkansas, we should not be troubled with a surplus. It is not in what is in the earth, nor in the material things that are on the earth, that the wealth of a nation lies. It is in the training of the brains of the people; it is in the intelligence of the people that the wealth of a nation lies,

The training of the hands and brains of the people is so much added to the producing plant of the nation. The brains of the people are the motive power of all the motive powers.

V.

But how are the poor to get for their children even so moderate an education as that of the Manual Training School? As things are now, they can not get it. If there were Manual Training Schools free for all on every street corner, the children of the poor would still have to go without this training. The bequest of the late Mr. Allen C. Lewis now amounts to \$1,000,000, and soon the Lewis School will be established. When the Lewis School shall be established, it will be a magnificent institution—just what is needed; but poor boys and girls will not be able to get the benefit of it, because they must work in the factory, and in the shop, to earn their bread. The Chicago Manual Training School is full to overflowing, but it is full of boys whose parents are comparatively well-to-do, and able to support the boys during their years of schooling. To be sure, no boy is sent away merely because he is too poor to pay the tuition. Either the tuition is remitted, or the Commercial Club or someone else pays it. But for

all that, boys whose parents can not support them during their years of schooling, are necessarily kept out of the Chicago Manual Training School. The very boys who need the school most, are kept out. Out of 271 scholars, there are only twenty-five boys in the school whose fathers are mechanics or laborers.

VI.

The Collateral Inheritance Tax of New York yielded—

For the year 1887	\$ 561,716 00
For the year 1888	736,084 88
For the year 1889	1,075,692 25

Up to December 5, 1889, the Collateral Inheritance Tax of Pennsylvania had yielded for the year, \$1,378,453.71. This tax being on Collateral Inheritances, reaches but a small number of estates.

The Collateral Inheritance law of Pennsylvania was enacted in 1826, and is an old, rock-rooted State institution. The best lawyers of the State have tried to upset it, but it has withstood all their onslaughts. The law of New York was enacted in 1885. The lawyers of New York have tried their best to upset it, but the law stands, and will continue to stand. In both States the proceeds of the tax are used for general revenue purposes. The tax is five per cent. on all collateral inheritances. An estate of \$250 is exempt in Pennsylvania, and one of \$500 is exempt in New York.

VII.

In 1884, I began to advocate that, inas-much as parents can not, with the means at their command, give such an education to their children as the necessities of modern life demand, the money must be found to pay parents, or persons standing in the place of parents, for the time of their children while attending school.

Under twelve years of age, children will generally be kept at school because their earning capacity is nothing. My proposition is, that the compensation should begin at twelve and end at twenty, for boys and girls alike.

12—13		\$ 50
13—14		75
14—15		100
15—16		125
16—17		150
17—18		175
18—19		225
19—20	- , ...	300

VIII.

The course of study should include manual, scientific, and literary training—the best that could be devised—the very best is none too good. This would give us a population of intelligence and efficiency such as the world has never yet seen—a population that could be reasoned with; a population that would quickly see its own interest, and, seeing, would pursue it; a population that would peaceably and speedily right all its wrongs.

The setting free of four millions of black people was the greatest work of this century; but this proposition means a yet greater work, because it would truly emancipate both black and white. Once begun here, all the world would follow. It means the raising up indefinitely of the world's toilers. It means not that the exalted shall be humbled, but that the humble shall be exalted.

The house of our civilization would cease to be divided against itself. It would be all intelligent, efficient, and comparatively

well-to-do. All anxiety as to the perpetuity of republican institutions would immediately cease.

IX.

The expense would be enormous, but the money would not be lost. It would stay right here among us and render every business more productive. To raise the money, I have advocated a graduated succession tax upon estates. Its collection would cost little or nothing—the experience of Pennsylvania and New York shows that. In war times we had both a graduated income tax and a succession tax, so that neither a graduated tax nor a succession tax is new to the American people. The Pennsylvania and New York laws establish a graduated tax, because a small estate is exempt, while a larger one is taxed. The graduated succession tax would not upset the country. We know it wouldn't, because we have already seen it in operation.

X.

The tax which I propose would be graduated—small on small amounts, and larger as the amounts increase.

$\frac{1}{2}$ per cent. above \$ 25,000 and less than \$ 50,000

$\frac{3}{4}$ per cent. above 50,000 and less than 100,000

1 per cent. above 100,000 and less than 200,000

and then 1 per cent. more upon every additional hundred thousand dollars, up to 50 per cent. on five millions, or any sum above five millions.

No accumulation, no tax! Small accumulation, a small tax; large accumulation, a large tax. Upon an estate of less than \$50,000 the tax could not exceed \$250; upon an estate of \$199,000 the tax would be \$1,990; upon an estate of \$500,000 the tax would be \$25,000; upon an estate of \$1,000,000 the tax would be \$100,000; upon an estate of \$5,000,000 and upwards the tax would be one-half of the estate.

XI.

For an illustration, let us take the estate of the late John Crerar, which, for purposes of administration, was valued at \$3,550,000. The tax upon that sum at 35 per cent. would be \$1,242,500, which would keep at school for one year, upon the plan proposed, 8,283 children between twelve and twenty years of age.

It is said that every man should be allowed to do what he likes with his own. No, that he can not do, even now. The law interferes with him at every step, and tells him what he may do, and what he must not do. That supremely cunning lawyer, Mr. Samuel J. Tilden, made a will under which libraries were to be established; but the law steps in and says that he attempted to do it in a manner contrary to public policy; his will goes for naught, and his relatives take all his money. Public policy limits a man in what he may do with his money.

If the law which I propose were now applicable to John Crerar's estate, 8,283 children between twelve and twenty would

get out of his estate, food, shelter, and raiment during a year's schooling and preparation for active life; and after providing for this, there would still be an abundance of money left wherewith to pay all the Crerar legacies, and establish the Crerar library; and I say that such an application of the money would be in furtherance of a good, sound, public policy.

XII.

The late Alfred Cowles left \$950,000 to be divided among his three children. The tax which I propose would take from the \$950,000—\$85,500 to educate the children of the people, leaving \$864,500 to be divided by the three children of Mr. Cowles, which would abundantly provide against all the rainy days that can come in their lives.

The Cowles estate is an ideal estate. It was gathered by hard work, saving, keen, and shrewd enterprise. But, after all, Mr. Cowles could not have gotten together so large an estate if he had not lived in a growing community, which helped all his enterprises to flourish. Every man who came to Chicago increased the revenue of Mr. Cowles. The \$85,500 which the proposed tax would take from the estate of Mr. Cowles, for the general welfare, would be none too large a return for what the community have done for Mr. Cowles. And what is true of the Cowles estate is, of course, true of all other large estates. And, if this can be said of the Cowles

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estate, what might not be said of the estates of the stock-waterers and Standard Oil magnates?

XIII.

There is no other land on earth where so much money is given away, as there is in the United States. Nearly all rich men worth a million or less, do as much for benevolent objects as the proposed succession tax would take from their estates. There are bequests in this city, not yet carried into effect, of at least eight millions—two or three millions for the Newberry Library, one million for the Lewis School, three millions for the Crerar Library, and other benevolent objects. No land can compare with ours in munificent bequests. But, as a rule, these bequests are not in furtherance of any public policy. As a rule, a bequest establishes the “Jones Chair,” the “Smith College,” the “Brown Library,” or the “Robinson Hospital.” A great deal of money is thrown away on colleges where there are no students, on libraries where there are no readers, and on hospitals where there are no patients; very little of it goes where all the people get the benefit of it. In the *North American Review* for June, 1889, Andrew Car-

negie says that \$950 out of every \$1,000 bequeathed for charity, is bequeathed unwisely, and might as well be thrown away; and in the December number of the same review, he reiterates and amplifies the statement.

The succession tax, and the application of it, which I advocate, would take money which now generally does nobody any good and put it where it would do the most good—apply it to the healing of the nation.

XIV.

To dispose of a man's estate for him! Injustice! I hear someone say. Laws of inheritance are laws of expediency made to effect what a State or a nation wants to accomplish. These laws are constantly changing. Complete justice is rarely done by them. Just think how the laws of inheritance and other laws in regard to the property of women have been changing during the last thirty years.

Laws of inheritance are simply laws of expediency. In England, the laws are made by the aristocracy for the aristocracy. All but the first-born male of a family have no inheritance to speak of. This is done to promote aristocracy. The younger son laughs at us when we suggest that it is an unjust arrangement. It is a measure not of justice, but of expediency. The law answers perfectly the purpose for which it was made. It promotes a splendid aristocracy.

What we need are laws that shall promote a splendid democracy. The thing for us to do is to make laws that will pro-

mote a splendid democracy. And if we can so change our laws as to put at the command of the poorest child of this land an education equal to that which the richest scion of nobility in England can obtain, shall we not thereby promote a splendid democracy?

XV.

That this tax would be expedient there can be no doubt. That it would increase the welfare of the people there can be no doubt. That its enactment would be good public policy there can be no doubt.

As to injustice, if there can be question of injustice, the law could affect unjustly only one generation. Grant, for the sake of argument, and for the sake of argument only, that such a law would be unjust to present owners of millions. But say, now, that fifty years ago, before there was a millionaire in Illinois, just such a law as I advocate had been passed, and that all the present millionaires had, under it, acquired their fortunes, then there would, of course, be no injustice in subjecting their estates to the tax. They would have known what was coming all the time while they were acquiring their millions, and if they hadn't liked the law, they could have stopped acquiring their millions under it. Would they have stopped? Oh, no. They would have gone on and accumulated their millions just the same as they have

now. They would have been glad enough of the prospect of becoming millionaires, even upon the condition of a succession tax at death.

But let me admit, for the sake of argument, that I am mistaken about this, and that some enterprising men would have been driven away from Illinois by the tax, what then? Would, for example, fewer hogs have been killed in Chicago? Not at all. A great deal of the enterprise we admire so much consists only in preventing, by fair means or foul, other people from being enterprising. If some men were less enterprising other men would have a chance to be more enterprising. The packers did not invent the taste for hog's meat. In the Iliad, Homer speaks of

“The bristly victims hissing o'er the fire.”

Humanity is born with the taste for pork. The packers add nothing to the hog product. They raise no hogs. When the hog crop is short, the packers do not, and can not, help us out. With or without our millionaire packers, the hogs would be killed. The ability to kill and cut up hogs is widely distributed among

mankind. The State of Illinois would have survived any exodus on account of the tax.

XVI.

The argument of injustice can not have any application except to the present generation. After the present generation there can be no question of justice or injustice. It becomes a matter of pure expediency, and we can, in the language of Abraham Lincoln, "plow around" the present generation of millionaires by letting them off easily, if the notion should prevail that injustice would be done to them by the enactment of the succession tax, as I have outlined it. The law can be so framed that the rates above 10 per cent. shall take effect only upon estates acquired under the law, which would let off the present generation of millionaires.

To make it possible to establish the American Union, there was a compromise of this kind in the Constitution which continued the African Slave trade from 1787 to 1808. I have often wondered how many thousands of American soldiers died or were made cripples, and how many millions of money this compromise cost the country between 1861 and 1865. The little

slaves of the mills, shops, and factories, who are now at work, though wholly unfit for it, and who ought to be at school to learn to make the best of their lives, can not speak for themselves; but I say for them, that delay in emancipating them will cost the country in all sorts of ways, more money than the slave-trade compromise did.

XVII.

A cry would, of course, go up from the rich that they would be ruined; but any one can see that the tax would ruin no one. We are all familiar with the cry of ruin. When the Inter-State Commerce Act was passed, railroad presidents cried aloud that the act would ruin the roads. When imprisonment for debt was abolished, the merchants cried that it meant ruin to them; that henceforth no man would pay his debts. When it was proposed to light London with gas, interminable speeches were made in Parliament, in which it was said that the use of gas would ruin the English navy, because there would be no more use for oil, and therefore, that nursery of English seamen—the whale fishery—would be destroyed. In the beginning of this century there were in England over two hundred distinct offences punishable with death. When Sir Samuel Romilly proposed to abolish the death penalty for stealing five shillings' worth of property, those old war-horses of the law, Lords Ellenborough and Eldon,

called God to witness that if the repeal should prevail, they foresaw the ruin of their country.

XVIII.

In 1832, the Duke of Wellington was convinced that the enactment of the reform bill meant ruin to England. Immediately before the passage of the reform bill, the duke proceeded to avert ruin by ordering all officers absent on leave to join their regiments. He ordered the cavalry to rough-sharpen their swords, as at Waterloo, and to hold themselves booted and saddled, night and day, with carbines loaded with ball-cartridges, ready for instant service. But, meanwhile, the people came together in meetings of 100,000, of 150,000, and of 200,000, and demanded not only immediate reform, but they demanded the removal of the duke from the counsels of the king. The duke found, to his amazement, that the very soldiers who, at Waterloo, had stood with him like walls of steel against the eleven onslaughts of Ney, showing forth, as had never been done before, the mettle and enduring courage of the great race to which we belong—the duke found, to his amazement, that the hearts of these gallant men were

with the people, and not with him. They had not forgotten that they were Englishmen before they became soldiers, and they gave king, duke, and tory to understand that they were terrible, not to peaceable Englishman, but only to the enemies of England. The king, too, old and weak, and silly as he was, had heard of the sad ending of Charles I. and of Louis XVI. He liked the business he was in, and was anxious to continue in it. He became frightened lest something should happen that would put an end to the king business. He whispered to the Duke of Wellington, and he whispered so effectually that the Iron Duke, whose great heart had never quailed at danger, who had brought down low one after another of Napoleon's generals, and finally lowest of all, Napoleon himself—the Iron Duke surrendered to the spirit of democracy. The duke, with about a hundred other peers, kept away from the House of Lords, leaving a majority there for the reform, and the bill became law. When the duke thought of using the troops, he had said “that if the people of England wouldn't be quiet, there was a way to make them.”

Martineau says that the end of it all was, that if the Duke of Wellington would not be quiet, the people of England had found a way to make him so.

XIX.

Ruin? Up to the time of the reform agitation, there had been general lawlessness, riots, burnings, and killings all over England. Instead of bringing ruin upon the country, the passage of the reform bill began a new era of peace, good will, and general amelioration. It was the very beginning of that peaceable agitation for reform and improvement in which we are here engaged to-night, and which Sir Robert Peel so happily called, "The marshaling of the conscience of a nation to mould its laws."

And so I might go on indefinitely about ruin. I have no doubt that when our hairy ancestors climbed down from the trees in which they had been living, and took to dugouts in the solid ground, the Ellenboroughs, Eldons, and Wellingtons among them chattered at a great rate of the ruin that was to follow.

The cry of ruin is so familiar. Bagehot says: "There is no so great pain to the human mind as the pain of a new idea." The cry of ruin is the expression of pain at the advent of a new idea.

XX.

The poor couldn't be ruined, and the rich would not be ruined by the succession tax. Except for purposes of power and display, it makes no difference whether a family has five millions or ten millions of money. Five millions will give them everything they can use just as well as ten millions. It may be safely asserted that as many young people are rendered worthless and ruined, as are benefited by large inheritances. It is not going too far to say that an inheritance so large as to place its recipient above all care, forethought, and work, is an injury, and not a benefit. The Benjamin Franklins and Abraham Lincolns are produced by a life of privation and struggles. It is a rare human creature that can stand, without injury, being so placed in the world that life presents no struggle—that there is no necessity for making an effort. The man or woman for whom, from the beginning of life, there are more dinners than days—for whom all days are Sundays—rarely rises above being a mere trifler. Large

inheritances are crowding Europe with Americans who are struggling to be presented at court; to get into the Prince of Wales' set; with girls in search of titled husbands; with young men who have never by their own labor earned a dollar, whose every breath is paid for by work done in America, but who find existence tedious among the working-day, commonplace beings here, and find life much more agreeable in Europe among people whose only occupation is to kill time.

To increase the number of those who are benefited, and decrease the number of those who are injured by inheritances, would be sound public policy.

The rich would pay the tax, and be as happy as they are now. There would not, by reason of the tax, be an iota of suffering in any American home. And what immeasurable happiness the proceeds of this tax thus applied would bring to hundreds of thousands of American homes.

In the enactment of laws, the question is, not what the few would like. Is there ever a law enacted of which everybody approves? The question is not what the few would like. The question is, what is

for the interest of the many? The welfare of the people is the supreme law to which everything and everybody must yield.

Men are importuned for charity from morning till night; and men of moderate means fritter and give away to objects of very questionable utility more money than this tax would take from their estates. The men with less than a million will not greatly object to this tax, because it would only take from their estates a sum they will be glad to see wisely bestowed for the good of all.

If we were to wait to enact a law till everybody was for it, we should never get any law enacted. Unanimity is not necessary. As to men worth over a million each, there can not be over 25,000 of them in the whole country. What they wish or do not wish, is of no greater consequence than the wishes of any other equal number of men. Their opinions should have the weight of their numbers, and no more. Their opinions should have the weight of any other 25,000 citizens. The 65,000,000 will not bother about the opinions of any 25,000 citizens. The 65,000,-

000, including the 25,000, and not the 25,000 alone, will say what shall or what shall not be the future policy of the American people.

XXI.

The millionaires would leave and go elsewhere with their millions, would they? Where would they go? Would they go to some State where there was no succession tax? When adopted in one State, the succession tax would speedily be adopted in all. Would they go to Europe? No, they would not. There is no place outside of the United States where they could go and get as good interest upon their money as is current here. They would see at once that by reason of the higher rate of interest, they could here, after paying the succession tax, leave more money to their heirs than they could in Europe after escaping it. They would remain with us. They would not go away. The community is of more use to a millionaire than the millionaire is to the community.

But would they not deed away their property, and thus dodge the tax? Perhaps human nature and the circumstances under which we exist would generally prevent the evasion of the succession tax in that way. Death will catch people una-

wares. If men could have timely notice of approaching death, they might deed away or give away their property so as to avoid the tax. But men like, while they live, to hold on to their property. Litigation over wills takes large slices out of estates. This could nearly all be avoided if men would, before dying, distribute their property. But somehow men don't like to part with what they have. No man likes to deprive himself of his property and the consideration which it gives him. Great as are the inducements to men to be their own executors, they generally hold on to what they have, and give up simultaneously ghost and estate.

A large estate in experienced hands increases so fast that few men are capable of depriving themselves of the pleasure of seeing it grow. Moreover, no one knows better than the average millionaire that an estate in his own hands increases fast enough over and above its possible rate of increase, in the hands of the average heir, to pay any tax and then come out ahead. No doubt the cares of state must be trying to Queen Victoria; beyond a doubt they would sit much more easily on the shoul-

ders of the Prince of Wales; but, for all that, Queen Victoria does not relinquish the sceptre.

A pile of money is a sceptre which, as a rule, men let go when they can't help themselves, and not before.

XXII.

If the law were enacted, the immense amount of money put in circulation would make good times. Lord Bacon says: "Ever a State flourisheth when wealth is more equally spread." If the \$1,242,500 of the Crerar estate which the tax would take were put into circulation to buy food, shelter, and raiment, to make thousands of families better customers for all the necessities, comforts, and conveniences of life, can you doubt that, to the extent of that amount, business would be better? With the succession tax levied and expended throughout the country—hundreds of millions collected and expended every year—there would be always just such flush times as there were during the war. Everybody would be busy and everybody would be prosperous. To the extent of the tax, the grip of the dead hand would be taken off the business of the living. Flush times like that of war times, did I say? In one respect it would be unlike that of war times. The great business of war times was stimulated by waste and destruction,

It was done on borrowed money, for which there had to be a settlement, and for which we made settlement, in 1873 and the years following. The business activity caused by the proceeds of the succession tax would not be brought about by waste and destruction, but by the building up of places of pleasantness and peace. It would be safe and sound business, done upon the basis of spot cash, pay as you go. With the impulse that would be given to business by this measure, after paying the 10 per cent. tax on a million, the remaining nine hundred thousand dollars would bring in more income every year than the original million would have done.

Taking all the young people under twenty out of the competition as wage-workers, would necessarily cause wages to rise. Raising the intelligence and skill of the people would develop endless new employments. What the world has acquired in the way of knowledge, instead of being known only by the few, would be known by all; instead of only the few, all would have access to and would utilize the world's stock of knowledge; and the

difference that this would make in the production of wealth can not be over-estimated.

XXIII.

The man who works for wages would have better wages, and the man who has things to sell would have better customers. The waifs would all disappear from the streets and be found at school. No truant officers would be needed. The compulsory education law would be a needless, antiquated, dead letter. The poorer the man the more certain would he be to educate his children. The orphans and the fatherless would be educated. The children of drunkards would be educated. Women with their own way to make in the world would, accomplished and skilled at every point, find all the world's roads easier. Temperance would thrive with greater intelligence and better training. Leaving out individual cases, people are temperate in proportion to their intelligence. The savage drinks all he can get; the civilized man drinks in proportion to his civilization. Civil service reform would be easy with people, every one of whom could stand the examinations.

XXIV.

Abnormally large estates would be curtailed, and all the people would say, Amen. The ancient republics went down because the rich were too rich and the poor were too poor. What is our chief trouble after all? Our knowing plutocrats at the top are the upper millstone of our social fabric, and the ignorant and venal multitude at the bottom are the nether millstone, and we poor sovereigns are in between. Seats in the United States Senate are already openly bought and sold, and unless we call a halt, it is only a question of time, when the presidency and cabinet offices will go to the highest bidder. With the advent of the measure I have set forth before you, pinching poverty on the one hand, and over-abundant wealth on the other—the greatest dangers to which the republic is liable—would measurably be done away with. The poor would not become rich, nor would the rich become poor, but all would be happier and more comfortable.

This measure would peaceably and qui-

etly put an end to the parochial school. The drawing powers of the public school would empty the parochial school. American-born children would no longer grow up as foreigners upon their own native soil.

In our generation we are not likely to forget that that portion of the United States where the free school was not known rebelled and made war upon our flag and government. Wherever the flag had been lowered, the graduates of the free schools ran it up again and re-established the government. The free school means the Star Spangled Banner, and the Star Spangled Banner means the free school. Whoever touches the one touches the other. Puritan blood, which established English liberty and which established American liberty, predominates here no longer. Fifteen millions of foreigners have come to this country during this century. Still they come, and their children are for numbers like sands on the seashore. The measure I advocate would, "out of this nettle danger, pluck the flower safety," by educating and Americanizing the children.

Thus started in life, the intelligent and efficient young would take care of and provide for the old and infirm belonging to them; and, under these circumstances, one-half of the misery of the world, which has its origin in want, would disappear. The progress of the world would be quickened. Much of the best brain material and moral material is now left uncultivated. Our progress would be infinitely more swift if more people were given a fair chance to try to do their best.

All reforms and improvements, all good causes, would be helped by the measure which I have set before you. It is broader than any and all of them.

XXV.

Hitherto there has never been any people that could be compared with the American people for intelligence; but with every American child kept at school till twenty, the distance between us and other nations would immeasurably increase. An American would be known by his having the world's skill at the ends of his fingers, and the world's stock of knowledge in his head.

To support one poor boy or girl at school, and give him or her a good education and a fair start in life, has always been looked upon, and is now looked upon, as a noble deed. If it is a good thing to do for one child, why not for all?

XXVI.

One thing is certain. Unless, by means of this tax, or by some similar means, the wealth of the country shall be made to respond to the demand for a higher general efficiency and intelligence, the mass of the American people must forever remain in ignorance. And what does ignorance mean? It means far less money earned than would be earned by a population of intelligence and efficiency. It means, perhaps, more money than the education would cost wasted on soldiers and policemen, destruction of property, and stoppage of social machinery. As we all know by experience, the most expensive way of settling things, is to settle them by means of lawlessness and soldiers. It is much cheaper to train good citizens than it is to shoot bad ones.

XXVII.

How much would the tax yield? How much money would it take every year to establish the proposed education? No living man could answer either question. Experience, and experience only, would enable us to tell. During the six months between November 1, 1889, and May 1, 1890, the tax would have yielded, in this city, between four and five millions of dollars.

The tax would not be sufficient all at once to meet the expense of the proposed education. If a change so great as the one proposed could be made all at once, the proceeds of the succession tax would not be sufficient to pay the bill. But it would take years and years to bring about so vast a change, and the proceeds of the succession tax would probably be sufficient to pay the bill as fast as the change could be brought about. And besides, wealth increases now twice as fast as population, and would increase with far greater swiftness, with increased efficiency of the population. The growth of wealth

would catch up and be adequate to the necessity. Besides, any public body into whose hands the practical working might fall, would have to cut its garment according to the cloth in hand, and would so cut it. My proposition is, that children shall be paid for going to school from twelve to twenty years of age; but if only money enough could be raised to keep them at school till eighteen, then eighteen must be the limit till funds increase. If there should be enough only to pay till sixteen, then sixteen must be the limit, and even then the gain of the people in intelligence and efficiency would be immense and incalculable. Whatever could be achieved, would be clear gain, and would tend toward comfort and peace. We should be working along lines of absolute safety.

The amount of money required would, perhaps, appall us to-day. Fancy some man, in 1830, saying something like this: To do the transportation business of this country, we shall need 160,000 miles of railroad, costing nine thousand millions of dollars, and where is the money to come from? The money for the railroads has been

found, because the railroads themselves have developed and enriched the country, and helped produce the money wherewith railroad extensions have been made. The money invested in railroads has come back, and has come back a hundred fold. We have the 160,000 miles of iron road; we have spent the money the roads have cost, and we are thriving by it. All the wealth in the country in 1830 wasn't equal to the amount of money invested in railroads and telegraphs to-day. The man of 1830 was not qualified to speak for 1890. His function was to do, along safe lines, the best he could in his day and generation.

XXVIII.

But says someone: To pay parents for the time of their children while they go to school, even in order to enable the children to go to school, would pauperize the people. On the morning of the 5th of February last, there was this London cablegram in all our papers: "Old-line Tories are furious over the report that Mr. Goschen intends recommending that a part of the Treasury surplus be devoted to free education. The *Standard* to-day devotes a savage leader to the denunciation of the idea, declaring that there is no difference in principle, between providing the poor with gratuitous knowledge, and providing them with gratuitous bread, boots, and blankets. Further on, it exclaims that the character of the English people is certain to be fatally injured, if these demoralizing doctrines of free education are ever carried out upon a large scale."

If there is, in fact, no difference between providing people with bread, boots, and blankets, and providing free education,

we have been for a long time, and are now, largely engaged in providing bread, boots, and blankets. Did you ever hear of any man or woman who felt like a pauper by reason of having been educated in a free, common school? The character of the New England people has been subjected for 250 years to what the London *Spectator* calls the demoralizing doctrines of free education; and yet there has never been a population superior to that of New England. Never in the world has the feeling of individual independence, and individual adequacy to all that can happen, been so strong in any people as it has always been, and is, in the inhabitants of New England. The people of Old England have never been pauperized by free education; but for some reason, at some period of his life, one out of every ten native-born Englishman sings his "Rule Britannia! Britannia rules the Waves!" on his way to the poorhouse. The people of New England, and the descendants of the people of New England, have cut a great figure in the world, except in one single respect. They have never cut any sort of figure in the world as paupers. Ignorance breeds pauperism,

Intelligence leads to self-reliance and independence. Call the proceeds of the succession tax, distributed as I would have it distributed, to boys and girls actually in school—no school attendance, no pay—call it, if you like, a distribution of bread, boots, and blankets, for the purpose of getting intelligent and efficient citizens, for the welfare and safety of the State, and then we shall be only going a step further than we already go by common consent in our enormous expenditures for free schools.

XXIX.

This law might be imperfectly executed to begin with. That is the rule with laws; but it would end by being well executed, because everybody would be interested in its execution. The Collateral Inheritance law is being well executed in New York and Pennsylvania.

In 1887, the following amounts were paid in New York. I give round numbers:

Lenox estate,		\$76,000
Morgan estate,		64,000
Stewart estate,		61,000
Burr estate,		39,000
Euston estate,		40,000

In 1888, the following amounts were paid in New York:

Wolfe estate,		\$144,000
Lenox estate,		98,000
Cutting estate,		33,000
Howard estate,		25,000
Vanderbilt estate,		16,000

Many of these payments were made by people who are champion tax-dodgers, and hire their law by the year. They never

pay any tax without exhausting the last quibble to avoid payment. When they pay it, it is a sign that there is no other way out. The law has stood five years in New York. Listen to what the Comptroller of New York says, in his report rendered in January, 1889, covering the year 1888:

“The law for taxing collateral inheritances, against which many complaints were made immediately after its enactment, as to its legality under the Constitution, and its justice as a taxing system, is becoming well understood and generally regarded as a wise and just measure.

“The courts have passed upon many of the important and mooted provisions of the law, so that they have received judicial interpretation. The law is now generally and quite thoroughly respected and enforced, as will be seen by the large revenue realized from it.”

In Pennsylvania the law has been on the books for sixty-four years. Originally the tax was $2\frac{1}{2}$ per cent., but in 1846 the rate was raised to 5 per cent. From the lowest courts to the highest, all have been full of attempts to prove the

law unconstitutional. The Pennsylvania reports are full of decisions on the law. It has stood the test of time. This law is as ready to have engrafted upon it the proposition I have set before you, as was the regular army of ten thousand men, at the beginning of the war, to have engrafted upon it a million of volunteers; and the volunteers did no greater service to civilization than this law would do.

XXX.

In the *Chicago Tribune*, December 31, 1889, appeared the following editorial: "This year there has been paid into the treasury of the State of New York \$1,075,000 as taxes on collateral inheritance. This is \$330,000 in excess of last year's receipts. That State, like England, has provided that where property is left to other than direct heirs — to nephews, nieces, cousins, and more distant relations — the recipients shall pay over a portion. The tax is not as heavy as in England, where, for instance, a tenth is cut off from a legacy to a grand-niece, but it is large enough to produce this handsome sum of a million dollars. The time may come when Illinois legislators may think of doing something of this kind, and of claiming a share of the estates of the dead, when they descend in another than the straight line. At present, the estate is charged a mere trifle in the form of a docket-fee — the maximum tax being a thousand dollars, if it is over a million — but the legacies escape. If the New York

law prevailed here, John Wentworth's bequest to his nephew would have meant a good round sum for the State, or for the Probate Court; and Cook County would have been that much better off, and the nephew would still have had an ample fortune."

I have quoted this to show you that a feeling is growing in favor of the enactment of the collateral inheritance tax, and from that to the tax I advocate there is only a step.

In the New York *Times* of January 6th, amongst the Albany items, I find the following: "Senator Fassett will introduce a new collateral inheritance bill on Tuesday, which he expects will make a difference of \$4,000,000 or \$5,000,000 in the State's finances. He proposes to extend the operations of the present laws to all direct heirs. In Great Britain, over \$30,000,000 was raised last year by the direct and collateral inheritance law."

I firmly believe that the succession tax could be speedily enacted. All the matter needs is a thorough agitation. The Manual Training School for all the children of the land, the succession tax paring

down large fortunes to sustain this school, and thus insuring both higher intelligence and efficiency for all the people, would, as a platform, fire the land with enthusiasm.

XXXI.

The laboring man has been asked to be for this, that, and the other, and he has been for all sorts of things. Now let him for once be for himself. No harm can come to the land where the common average man is rising to a higher condition. Such a state of things makes for righteousness, and righteousness exalteth a nation.

When slavery went down at Appomattox and liberty conquered, conquerors and conquered were alike victors. Liberty conquers and leaves no vanquished. So would it be in this case. All would be gainers, none would be losers; all would be victors.

The position which the laboring man can not take by an attack in front, he can easily take by the flank movement of the succession tax, and not only can he thus take it, but his victory will be the victory of all mankind.

XXXII.

“While property remains in the possession of the same person, whatever permanent taxes may have been imposed upon it; they have never been intended to diminish or take away any part of its capital value, but only some part of the revenue arising from it. But when property changes hands, when it is transmitted either from the dead to the living, or from the living to the living, such taxes have frequently been imposed upon it as necessarily take away some part of its capital value.

“The transference of all sorts of property from the dead to the living, and that of immovable property, of land and houses, from the living to the living, are transactions which are, in their nature, either public and notorious, or such as can not long be concealed. Such transactions, therefore, may be taxed directly.”
—*Adam Smith, “Wealth of Nations.”*

“With respect to the large fortunes acquired by gift or inheritance, the power of bequeathing is one of those privileges

of property which are fit subjects for regulation, on grounds of general expediency.

* * * * I conceive that inheritances and legacies, exceeding a certain amount, are highly proper subjects for taxation; and that the revenue from them should be as great as it can be made without giving rise to evasions, by donation, *inter vivos*, or concealment of property, such as would be impossible adequately to check. The principle of graduation (as it is called), that is, of levying a larger per centage on a larger sum, though its application to general taxation would be, in my opinion, objectionable, is both just and expedient as applied to legacy and inheritance duties."—*John Stuart Mill*, "*Polit. Econ.*," *Book 5, Chap. II, Sec. 3.*

XXXIII.

To enable the Legislature of Illinois to establish the proposed policy, a Constitutional amendment would be necessary, and the following is submitted:

Resolved, by the Senate of the State of Illinois, the House of Representatives concurring herein, that there shall be submitted to the voters of the State, at the next election for members of the General Assembly, a proposition to so amend the first section of the Ninth Article of the Constitution of this State, that the same shall read as follows:

SECTION 1. The General Assembly shall provide such revenue as may be needful by levying a tax, by valuation, so that every person and corporation shall pay a tax in proportion to the value of his, her, or its property—such value to be ascertained by some person or persons, to be elected or appointed in such manner as the General Assembly shall direct, and not otherwise; but the General Assembly shall have power to tax peddlers, auctioneers, brokers, hawkers, merchants, commission merchants, showmen, jugglers, innkeepers, grocery keepers, liquor dealers, toll-bridges, ferries, insurance, telegraph, and express interests or business, vendors of

patents, and persons or corporations owning or using franchises and privileges, in such manner as it shall from time to time direct by general law, uniform as to the class upon which it operates. And the General Assembly shall also have power to provide for the collection of a graded succession tax upon the property of deceased persons, the proceeds of such tax to be used in promoting the education of the people by compensating the parents and guardians of children for their time while attending school, in such manner as the General Assembly may prescribe; but such succession tax shall not be levied upon the property of deceased persons leaving estates not exceeding twenty-five thousand dollars in value, nor shall such tax in any case exceed 50 per cent. of the value of the property or estate upon which the same is levied.





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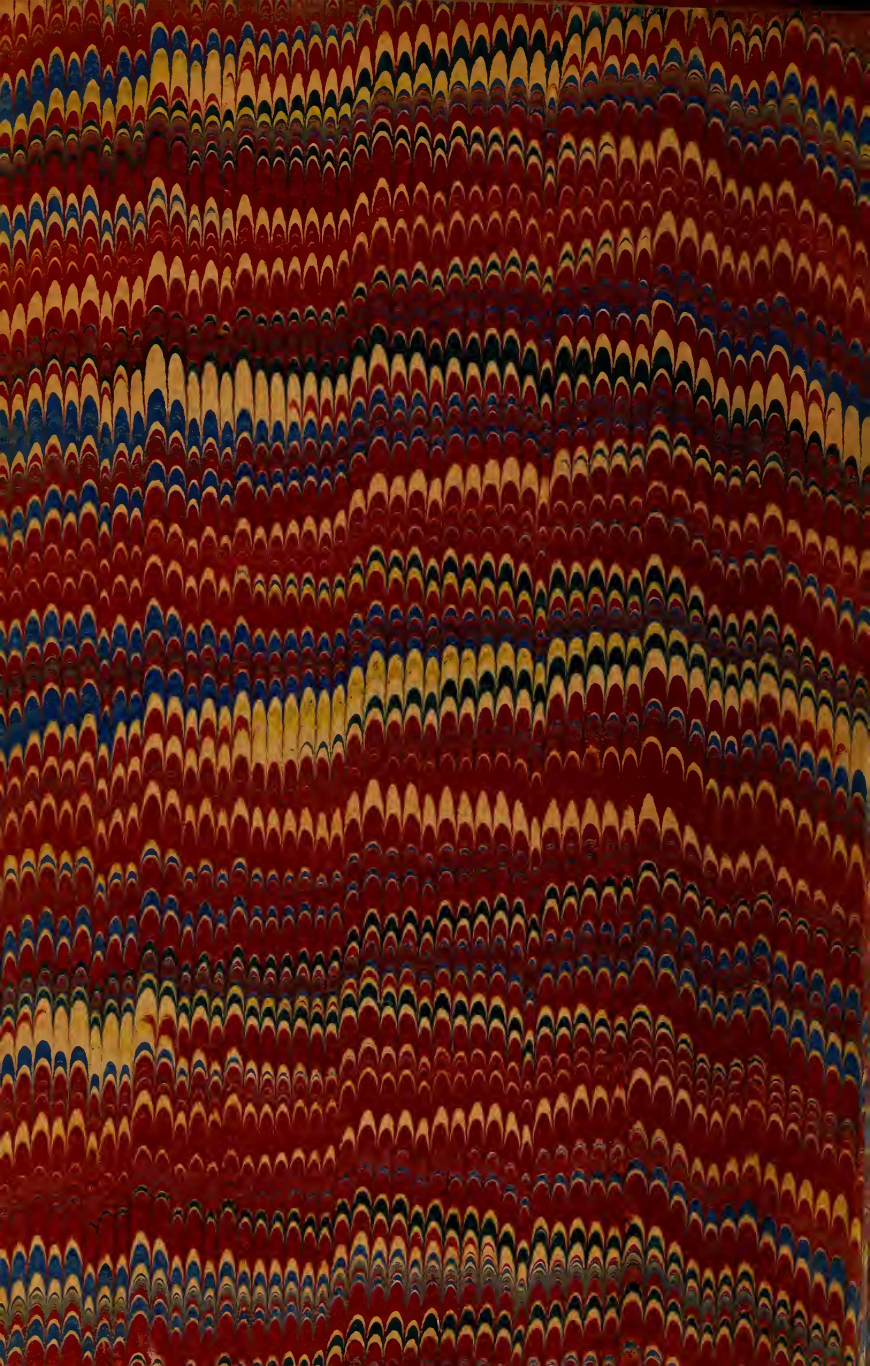
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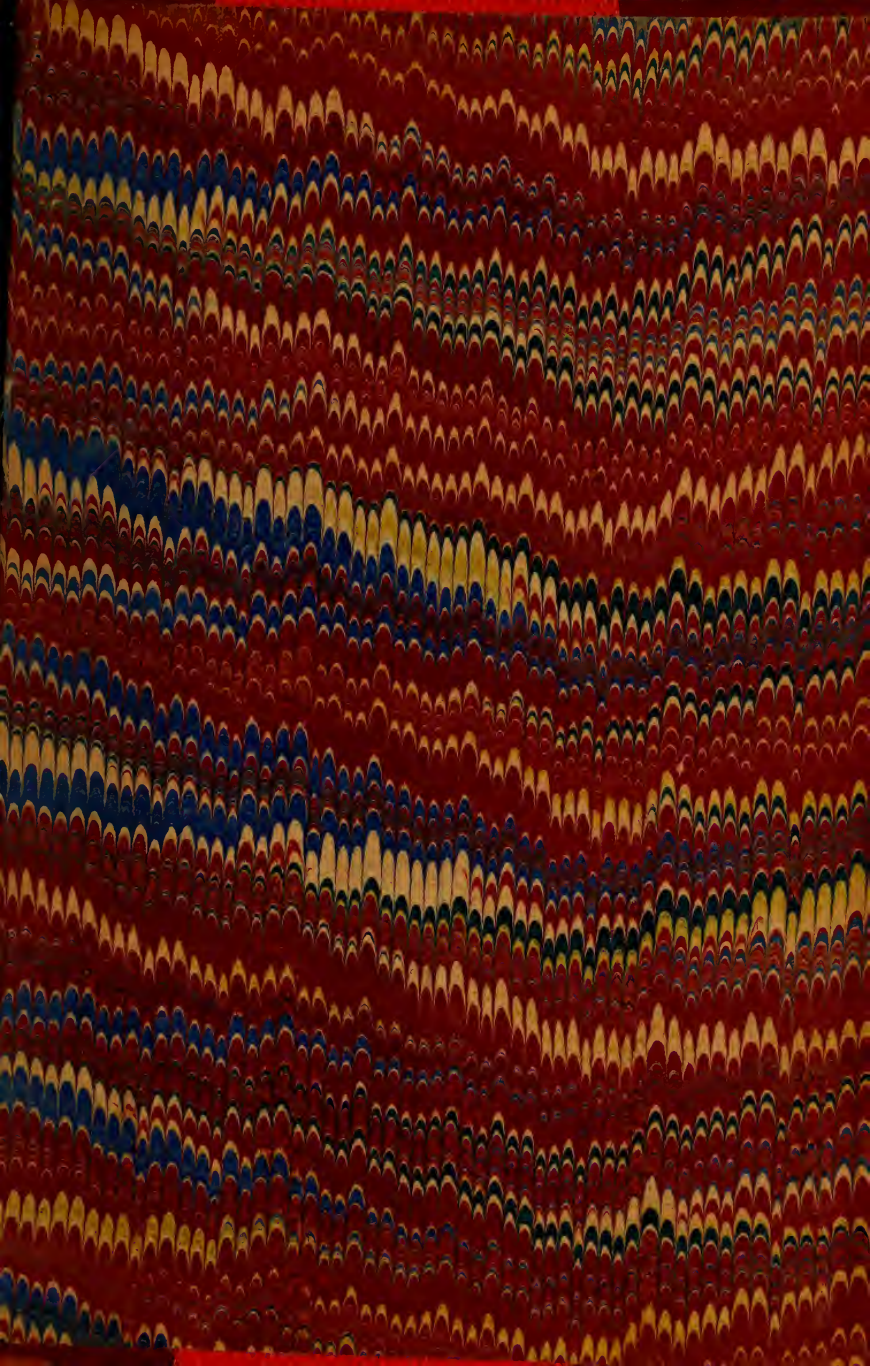
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